

Notice relating to the revision of certain measures pertaining to market risk requirements for deposit and trust institutions – COVID-19

Since March 19, 2020, the Autorité des marchés financiers (the “AMF”) has announced a series of measures to minimize the impact of the COVID-19 pandemic on Québec’s financial system, including specific measures for trust companies, savings companies and other deposit institutions, credit unions not members of a federation, member credit unions of a federation and federations of credit unions (the “financial institutions concerned”).

In a notice published on [March 31, 2020](#), the AMF announced that it was allowing the financial institutions concerned to temporarily, until further notice, lower the stress Value at Risk (sVaR) multiplier from 3 to 1. The AMF wrote to the financial institutions concerned at the time to inform them.

This component of the market risk capital requirements ensures that a minimum amount of capital is held against stress periods by the financial institutions concerned. At the beginning of the pandemic, market volatility increased in such a way that the level of additional conservatism achieved through the sVaR multiplier was temporarily not needed and the financial institution concerned were permitted to reduce the level of the multipliers used.

The AMF continues to regularly monitor the COVID-19 situation and its impacts on the financial institutions concerned.

In light of developments in the pandemic and the economy, the AMF today is announcing that, effective May 1, 2021, the financial institutions concerned must cease to use this treatment and return to using a multiplier of 3 as they did pre-pandemic.

For any questions, please contact:

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